What are Innovator Defined Outcome ETFs?
Innovator Defined Outcome ETFs are a revolutionary product line that offers investors exposure to the price return of broad equity markets (e.g., S&P 500, MSCI EAFE, or MSCI Emerging Markets) to a cap, with built-in downside buffer levels, over an outcome period of approximately one year, at which point each ETF will reset.

Historically, these types of defined outcome strategies have only been available through structured notes and certain insurance products. Today, a revolutionary ETF alternative exists to help you invest in the equity markets with confidence.

Each S&P 500 Buffer ETF is issued monthly (i.e., 12 ETFs for each buffer level), and the MSCI EAFE, MSCI Emerging Markets, NASDAQ-100, and Russell 2000 Buffer ETFs are issued quarterly. A description of each ETF Series is below.

INNOVATOR S&P 500 BUFFER ETF
(CBOE: BJAN, BFEB, BMAR, BAPR, BMAY, BJUN, BJUL, BAUG, BSEP, BOCT, BNOV, BDEC)
Designed to track the return of the S&P 500 (up to a predetermined cap) while buffering investors against the first 9% of losses over the outcome period, before fees and expenses.

INNOVATOR S&P 500 POWER BUFFER ETF
(CBOE: PJAN, PFEB, PMAR, PAPR, PMAY, PJUN, PJUL, PAUG, PSEP, POCT, PNOV, PDEC)
Designed to track the return of the S&P 500 (up to a predetermined cap) while buffering investors against the first 15% of losses over the outcome period, before fees and expenses.

INNOVATOR S&P 500 ULTRA BUFFER ETF
(CBOE: UJAN, UFEB, UMAR, UAPR, UMAY, UJUN, UJUL, UAUG, USEP, UOCT, UNOV, UDEC)
Designed to track the return of the S&P 500 (up to a predetermined cap) while buffering investors against a decline of 30% of losses over the outcome period, from -5% to -35%, before fees and expenses. Investors are exposed to loss between 0% and -5%.

INNOVATOR MSCI EAFE POWER BUFFER ETF
(NYSE: EJAN, EJUL)
Designed to track the price return of the MSCI EAFE Index (up to a predetermined cap) while buffering investors against the first 15% of losses over the outcome period, before fees and expenses.

INNOVATOR MSCI EMERGING MARKETS POWER BUFFER ETF
(NYSE: EJAN, EJUL)
Designed to track the price return of the MSCI Emerging Markets Index (up to a predetermined cap) while buffering investors against the first 15% of losses over the outcome period, before fees and expenses.

INNOVATOR NASDAQ-100 POWER BUFFER ETF
(CBOE: NJAN, NAPR, NJUL, NOCT)
Designed to track the price return of the NASDAQ-100 Index (up to a predetermined cap) while buffering investors against the first 15% of losses over the outcome period, before fees and expenses.

INNOVATOR RUSSELL 2000 POWER BUFFER ETF
(CBOE: KJAN, KAPR, KJUL, KOCT)
Designed to track the price return of the Russell 2000 Index (up to a predetermined cap) while buffering investors against the first 15% of losses over the outcome period, before fees and expenses.

How is this possible?
Each Innovator Defined Outcome ETF holds a customized basket of FLexible EXchange® options (FLEX options) with varying strike prices (the price at which the option purchaser may buy or sell the security, at the expiration date), and the same expiration (approximately one year). This gives each ETF a defined buffer level and upside growth potential (to a cap), over an outcome period. Each ETF intends to roll options components annually, on the last business day of the month associated with each ETF. Innovator has collaborated with some of the world’s leading experts in derivatives markets (Cboe Options Exchange), indexing (S&P Global), and financial risk management (Milliman) to construct the Defined Outcome ETFs.

What are the expense ratios?
S&P 500, NASDAQ-100, and Russell 2000 Buffer ETFs: 0.79%
MSCI EAFE Buffer ETFs: 0.85%
MSCI Emerging Markets Buffer ETFs: 0.89%

Do these ETFs track an index?
No. Innovator Defined Outcome ETFs are actively managed. However, a Cboe S&P 500 Target Outcome Index Series has been developed by Milliman Financial Risk Management LLC, S&P Dow Jones, and Cboe, for those interested in viewing historical performance of these types of buffer strategies.
What if I buy shares of a Defined Outcome ETF after the first day?
We call these investors “interim period shareholders.” Investors purchasing shares of a Fund after its launch date may receive a different payoff profile than those who entered the Fund on day one. However, investors purchasing shares of a Defined Outcome ETF after day one are still able to know what their defined outcome parameters are. In other words, throughout each trading day, investors will be able to know their potential defined outcome profile before they invest, based on the current ETF price and the outcome period remaining.

Please visit innovatoretfs.com/define to learn more and view the defined outcome web tool, which provides investors with detailed information about each ETF’s payoff profile (current share price in relation to its cap, buffer and outcome period).

Do these ETFs mature?
No. Upon the conclusion of the outcome period, the Fund will reset into a new portfolio with the same exposure, buffer level, and term, and a new upside cap will be determined.

So if I buy shares of the Innovator S&P 500 Buffer ETF at its initial price ($25) on the first day of trading, then at the end of the outcome period I can expect to participate in the upside of the S&P 500 to a cap, with a downside buffer level of 9%, before fees and expenses?
Yes. These ETFs are designed to provide point-to-point exposures to the price return of the S&P 500, MSCI EAFE, or MSCI Emerging Markets, NASDAQ-100, or Russell 2000 Index. They are not expected to move precisely in line with each index during the interim period (due to the optionality of the underlying portfolio). It is also important to note that there is no assurance that the Fund will meet its investment objective.

Are there any comparable products that exist on the market?
Innovator Defined Outcome ETFs are designed to offer investors better, cheaper, and more accessible alternatives to structured notes and certain insurance products. While those products can play an important role in certain investors’ portfolios, characteristics like high fees, illiquidity, lack of transparency, and counterparty risk during crises have set the stage for a disruptive alternative. We believe many of the benefits of defined outcome products can be harnessed efficiently and cost-effectively via the ETF vehicle.

Who are the ETFs for?
We believe the ability to know potential outcome parameters before investing has countless applications. Innovator has built several defined outcome ETFs in an effort to appeal to a range of investors seeking equity market growth with a downside buffer. This may include high-net-worth investors, retirees, pensions, defined-contribution plans, endowments, ETF strategists, institutional allocators, and hedge funds.

How many ETFs will be in the series?
Innovator has issued ETFs that provide exposure to five major equity markets: S&P 500, MSCI EAFE, MSCI Emerging Markets, NASDAQ-100, and Russell 2000. The S&P 500 Defined Outcome ETF Series offers three buffer levels of 9%, 15%, or 30%, and each buffer level will be available monthly (36 ETFs total). The remaining equity market exposures offer a 15% buffer and will be available quarterly (16 ETFs total).

Can an investor buy and hold a Defined Outcome ETF, or do they need to re-purchase the ETF each year?
These ETFs “reset” at the conclusion of their respective outcome periods, but may be held indefinitely. Upon the conclusion of an outcome period, each ETF will roll into a new set of options contracts with the same exposure, buffer level, and term length, and a new upside cap will be determined.

Is anyone guaranteeing my results?
No. Unlike certain insurance products and structured products, ETFs are not backed by the faith and credit of an issuing institution like an insurance company or a bank. This also means that Innovator Defined Outcome ETFs are not exposed to credit risk. The options held by the ETFs are guaranteed for settlement by the Options Clearing Corporation. In the unlikely event that the Options Clearing Corporation becomes insolvent or is otherwise unable to meet its settlement obligations, the ETFs could suffer significant losses.

How are the ETFs intended to be used in a portfolio setting?
We believe Innovator Defined Outcome ETFs can be used as a compliment or a replacement for both equity and fixed income allocations in existing portfolios. The inherent flexibility of the ETFs, and the price discovery and intraday liquidity now afforded to structured outcomes, makes the defined outcome ETFs an agile portfolio allocation tool.
Who is the sub-advisor?
The ETFs are sub-advised by Milliman Financial Risk Management LLC (Milliman FRM), a global leader in financial risk management and defined outcome solutions. Milliman FRM was also instrumental in the design of the Cboe S&P 500 Target Outcome Indexes.

These ETFs seem to come with a lot of new terms. Can you explain?
Yes. The terms you will likely encounter with Innovator Defined Outcome ETFs are:

“Index exposure” is the index the ETFs are providing structured exposures to (e.g., S&P 500 Index). “Cap” refers to the maximum potential return, before fees and expenses, if held to the end of the current outcome period. For example, the Innovator S&P 500 Defined Outcome ETFs seek to track the price return of the S&P 500 over a point-to-point period (the outcome period) up to a pre-determined cap. The ETF does not participate in growth beyond the cap. “Buffer” refers to the amount of downside protection, before fees and expenses the fund seeks to provide, over the full outcome period. “Outcome period” is the intended length of time over which the defined outcomes are sought.

The remaining terms are applicable to those considering an investment in an ETF during the outcome period. “Remaining upside cap” is the current maximum return available at the Fund’s current price, before fees and expenses, if held to the end of the outcome period. Remaining upside cap is a function of the Fund’s return; not the index return. The S&P index may need to rise higher or lower than the remaining upside cap before the remaining upside cap is realized. “Remaining downside buffer” is the current amount of downside buffer remaining at the Fund’s current price, before fees and expenses, if held to the end of the Outcome Period. “Downside before buffer” is the amount of Fund loss incurred before the buffer begins. This is applicable to people considering an investment during the interim period. “Remaining outcome period” is the amount of days remaining until the last day of the outcome period. “Fees and expenses” include the Funds’ management fee of 0.79%, any shareholder transaction fees and any extraordinary expenses.

Is anyone else behind this effort?
Innovator Capital Management has partnered with several of the world’s leading financial institutions in order to build the Innovator Defined Outcome ETFs. The ETFs were developed in collaboration with the Chicago Board Options Exchange (Cboe; provides the options contracts and options valuation modeling), S&P Global, MSCI, Nasdaq, and Russell (collaborated on, owns, and operates the index brands licensed by the Defined Outcome ETF series), Milliman Financial Risk Management (Milliman FRM, the sub-adviser on the Defined Outcome series). Together, these global institutions are helping investors better manage risk and move forward with confidence.

Are there benefits to these ETFs over structured products and indexed annuities?
Innovator Defined Outcome ETFs attempt to solve several issues often associated with legacy products that seek to provide investors with known return profiles; namely liquidity risk and counterparty credit risk. Innovator Defined Outcome ETFs are fully transparent, and more flexible than the typical structured products you might find on the market. A summary of risks are listed at the end of this document, and more information is available in the prospectus. Please read it carefully.
The Funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. For more information regarding whether an investment in the Fund is right for you, please see “Investor Suitability” in the prospectus.

Technology Sector Risk. Companies in the technology sector are often smaller and can be characterized by relatively higher volatility in price performance when compared to other economic sectors. They can face intense competition which may have an adverse effect on profit margins.

Small Cap Risk. Small cap companies may be more volatile and susceptible to adverse developments than their mid and large cap counterpart. In addition, the small cap companies may be less liquid than larger companies.

The ETFs refer to indexes that are not sponsored, endorsed, or promoted by the MSCI Inc. or any of its affiliates. MSCI Inc. bears no liability with respect to the ETFs, MSCI EAFE and MSCI Emerging Markets Indexes. All goodwill and use of MSCI’s name inures to the benefit of MSCI and its affiliates. No other use of the Marks is permitted without a license from MSCI.

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Investing involves risks. Loss of principal is possible. The Funds face numerous market trading risks, including active markets risk, authorized participation concentration risk, buffered loss risk, cap change risk, capped upside return risk, correlation risk, liquidity risk, management risk, market maker risk, market risk, non-diversification risk, option risk, options risk, trading issues risk, upside participation risk and valuation risk. For a detailed list of fund risks see the prospectus.

Non-U.S. securities and Emerging Markets are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments, restrictions on foreign investment or exchange of securities, lack of liquidity, currency exchange rates, excessive taxation, government seizure of assets, different legal or accounting standards, and less government supervision and regulation of securities exchanges in foreign countries.

FLEX Options Risk. The Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation (OCC). In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses. Additionally, FLEX Options may be less liquid than standard options. In a less liquid market for the FLEX Options, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. The values of FLEX Options do not increase or decrease at the same rate as the reference asset and may vary due to factors other than the price of reference asset.

These Funds are designed to provide point-to-point exposure to the price return of the Index via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the Index during the interim period.

Investors purchasing shares after an outcome period has begun may experience very different results than funds’ investment objective. Initial outcome periods are approximately 1-year beginning on the funds’ inception date. Following the initial outcome period, each subsequent outcome period will begin on the first day of the month the fund was incepted. After the conclusion of an outcome period, another will begin.